

Ms. PELOSI. I appreciate the gentleman's comments about what it means to hospitals, both rural and urban, and why we need to address the budget seriously without taking out all these hundreds of billions of dollars for tax cuts for the wealthiest.

I wanted to point out that distinction again, though, between tax cuts for the wealthiest and who is paying the price, out-of-pocket cost to senior citizens.

Right now the Urban Institute says that seniors spend a staggering 21 percent of their incomes to pay for out-of-pocket health care costs. That is now. If the Republicans go through with their tax cuts and take it out of Medicare, as we said earlier in the special order of the gentleman from California, this will again take it out of the pockets of seniors, a back door way of reducing their Social Security benefits by having them pay in some cases 100 percent of the cost-of-living adjustment and in many cases a majority of the cost-of-living adjustment.

So we absolutely must recognize who is paying for whose benefit. The senior citizens, the most vulnerable in our country, their health care benefits, out-of-pocket costs, will be used to pay for tax breaks for the wealthiest Americans. That just cannot be right.

Let's all be of good faith in this. Eliminate the tax break from this equation. Let's get down to talking about making Medicare solvent and doing it in a way that is respectful of the limitations of income of our senior citizens.

Mr. DURBIN. I thank the gentleman for her comments. I want to add something.

We are in a period of sacrifice. We will have to cut back on Federal spending. We are asking people to accept that reality. But think about some of the people affected by this debate. Some of the people literally dependent on Medicare and Medicaid are in nursing homes, totally unable to take care of themselves. They have exhausted all of their savings. They are dependent on Government programs and what their families can come up with. As we increase their expenses, there is nowhere for them to turn to make up the difference.

INTRODUCTION OF THE PROFESSIONAL TRADE SERVICE CORPS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I agree with my colleagues who were on the floor here of the absolute necessity of the United States balancing its budget and putting our financial house in order. But this afternoon, I want to talk to you about a different deficit, the trade deficit, and a piece of legislation I am introducing today, the Professional Trade Service Corps Act,

which is essential to America correcting that deficit as well.

U.S. trade policy for the last two decades under both Democratic and Republican Presidents has been a major net loser for our Nation, its businesses and our workers. While some individual corporations and certain shareholders have benefited, overall the productive wealth of America has been diminished, as ballooning trade deficits have fueled the movement of our dollars offshore, as our citizens bought more and more imported goods coming into this country rather than our exports being sold abroad.

Trade deficits represent a serious decapitalization of this country, with more and more of our people's money moving abroad to pay for the goods they are buying from foreign importers, while foreign capital pours into this country. The economic accounts tell the story.

In 1980, our country was a net lender to the world, as foreign interests owed us more than \$400 billion.

□ 1230

Today, however, the United States owes foreign creditors nearly \$800 billion. We are now a net debtor nation.

As foreign imports, including many from U.S.-based firms that have escaped offshore, surge into our country, jobs that should have been created here, good-paying jobs, are now being located elsewhere in the world.

Furthermore, the value of our dollar continues its decade-long decline as U.S. dollars flood into the international market to pay for the goods that we are buying from other places.

Last year our country racked up yet another record deficit with the world in merchandise trade of over \$166 billion. For January of this year, the United States set a monthly record deficit of \$12 billion more in just 1 month, and keep in mind \$1 billion of debt in trade translates into 23,000 lost jobs in this country.

These deficits represent real lost jobs, stagnant wages, and decreased living standards as your dollar buys less in this country.

You might be watching the trade talks that are going on with Japan right now. Last year we had over \$66 billion in trade deficit with Japan, more of their goods coming in here than our goods being able to get into that market, because in fact it is a closed market, and if you just look at the automotive segment of that deficit, which represents half of our deficit with Japan, if we could solve that problem we could build in this country 100 factories, each employing over 5,000 workers, 100 factories, each employing over 5,000 workers, if we only solved half the trade problem that we have with Japan.

In short, these deficits hurt every American in our communities, and that is why today I am introducing the Professional Trade Service Corps bill to upgrade U.S. trade negotiating functions through creation of a specialized

tenured body of trained professional trade negotiators for this country. The Corps' mission would be to conduct U.S. trade negotiations and streamline the trade functions of this Government.

The Professional Trade Service Corps incorporates a three-tier strategy to address the need for more skilled and committed U.S. trade negotiators. First the proposal would accomplish that goal by creating an elite professional body of American negotiators to address the issues of short tenure and the revolving door among our trade negotiators.

The average trade negotiators for our country stay in their position 2 years. The average negotiator for Japan stays in his position 30 years, speaks several languages, and has worked in various countries around the world.

Our bill would also establish a Trade Services Institute to train our current and future U.S. trade negotiators in the practices, culture, and customs of our trade competitors.

Then finally the bill restricts Trade Service Corps officials as well as other senior members of the executive and legislative branches from representing or advising foreign interests immediately after leaving Government service.

U.S. trade negotiators serve on the front lines of today's battle to win market share in the increasingly competitive international marketplace. To win, our country must have highly trained, professional, tenured, and committed trade negotiators with integrity at the table negotiating the best terms for America's workers and America's businesses.

I ask my colleagues to please join me in cosponsoring the Professional Trade Service Corps Act. Put this country on an equal footing at the international bargaining tables that control our destiny in terms of jobs and development in this country.

FAIR TRADE WITH JAPAN

(Mr. MCINTOSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCINTOSH. Mr. Speaker, today, officials from the U.S. Trade Representative's Office are meeting with Japanese officials to address the current trade imbalance in auto parts between our two countries. I hope their efforts are successful.

Now, I am an advocate for free trade. For countries to prosper in today's global market place, they must export and import freely. The deal is simple. It's a two-way street.

Unfortunately, when it comes to Japan, our open market-policies have not been reciprocated. Hard-working American autoworkers and manufacturers of automotive parts in Indiana and throughout America have faced unfair barriers to their products. Last

year, Japan imported 1 U.S. car for every 25 it exported; 60 percent of our \$66 billion deficit with Japan results from imbalances in cars and autoparts.

American autoparts manufacturers are not asking for special privileges, just a fair opportunity to compete in Japan. We have waited too long. The Japanese must honor the practices of free trade and agree to fairly import U.S. auto parts.

When I meet with automakers and autoworkers in the Second Congressional District of Indiana they tell me, "We make the best auto products in the world, just give us a fair chance to compete." An agreement that allows real access to the Japanese market for autos and auto parts is a matter of fairness for U.S. automotive firms and workers.

WHY AMERICANS ARE ANGRY

The SPEAKER pro tempore (Mr. REGULA). Under the Speaker's announced policy of January 4, 1995, the gentleman from Vermont [Mr. SANDERS] is recognized for 60 minutes as the designee of the minority leader.

Mr. SANDERS. Mr. Speaker, it is no great secret that throughout the United States of America today there is a great deal of anger, there is a great deal of unrest. Fortunately not every angry person goes about blowing up buildings and killing hundreds of innocent people, but all over this country, people are feeling an unease. Something bad is happening and they do not quite understand what it is about.

What I would like to do this hour, Mr. Speaker, with the help of some of my colleagues, is to perhaps try to explain to the working people of America, to the middle-income people of America, perhaps some of the reasons why people are angry, why people are frustrated, and then maybe make some suggestions as to how we can develop public policy which will improve life for all of our people.

Mr. Speaker, let me begin by quoting from an I think very important article that appeared on the front page of the New York Times on Monday, April 16, just a couple of weeks ago. And what it says is that the United States of America today has by far the most unequal distribution of wealth in the entire industrialized world. And the article says that:

Recent studies show that rather than being an egalitarian society, the United States has become the most economically stratified of industrialized nations. Even class societies like Britain, which inherited large differences in income and wealth over centuries, going back to their feudal past, now have greater economic equality than in the United States.

Then the article goes on to say:

Federal Reserve figures from 1989, the most recent available, show that the wealthiest 1 percent of American households, with net worth of at least \$2.3 million each, own nearly 40 percent of the Nation's wealth.

That in contrast to Britain where the richest 1 percent only own 18 percent of

the wealth. So in other words, we are now living in a country from which the richest 1 percent own 40 percent of the wealth, which is more wealth than the bottom 90 percent. Rich are getting richer, poor are getting poorer, the middle class is shrinking, and I think that explains or begins to explain why it is that American people and especially working people, the middle-income people are feeling very, very anxious. Because the bottom line is, and we do not talk about that too much here, Democrats do not talk about it, Republicans do not talk about it, Rush Limbaugh somehow forgets to talk about it, but the reality is that since 1973, four-fifths, 80 percent of the American workers have experienced falling or stagnant real incomes.

Now what does that mean? That means in the last 22 years the American people are working very, very hard, in many instances they are working longer hours, in fact a study came out recently, if you can believe this, that in order to compensate for the falling wages American workers are now receiving, workers are now working an extra 1 month a year. In my own State of Vermont it is certainly not uncommon for workers to be working not one job, not two jobs, but on occasion three jobs.

Since 1973, for production workers, there has been a 20-percent decline in real wages. There has been an increase in poverty. For low-wage workers, workers who just have a high school degree, who do not have any college, the drop in entry-level jobs has been precipitous. For young male workers there has been a 30-percent decline in entry-level wages for young men graduating high school going into the work force; for young women the drop has been 18 percent.

There was an interesting article which I think typifies much of what is happening in this country, that appeared in the Wall Street Journal some months ago and they said the good news is that in the Midwest, many of the factories that has been closed in the 1980's are now reopening, workers are now going back to work in the factories. That is the good news. The bad news is that those workers, same workers are going back to the same factories at wages which are paying them 50 percent to 60 percent to 70 percent of what they made 10 or 12 years before.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield?

Mr. SANDERS. I am delighted to yield to my good friend from Oregon, one of the outstanding Congressmen in this institution.

Mr. DEFAZIO. I thank the gentleman. I think what you brought up in your introductory remarks here brings you to three major issues, and I would like to frame the debate that way as we continue the discussion.

You pointed out the decline of incomes and the standard of living for middle-income families and the disproportionate accrual of wealth to the top 1 percent, generally those earning

over \$250,000 a year. And what I think people would be interested in is what is the majority, the Republican majority's response to that growing disparity of income. Do they have a plan to deal with it. And of course the plan is their tax bill. And the tables on the tax bill are pretty interesting.

If we look at the tax bill which passed the House of Representatives by a fairly narrow margin, but with virtual unanimity on the Republican side of the aisle, 71.4 percent of the benefits of the capital gains tax break are going to go to people who earn over \$200,000 a year. And if you go to the corporate tables, you find similar distributions. That is the largest corporations in America, and the multinational corporations will do well. Small businesses will get scant or no tax relief, and even smaller incorporated firms. In fact, we are repealing the corporate alternative minimum tax, something that was put in place in 1986 with agreement between President Reagan and a Democratic Congress that it was embarrassing that the largest, most profitable corporations in America, AT&T, \$24.898 billion in profits 1982 to 1985, paid negative \$635 million in taxes. So we had to put in place a corporate alternative minimum tax. But now we are being told the solution to the growing disparity and the unemployment in America is to go back to those tax policies of the 1980's.

Mr. SANDERS. If the gentleman will yield, what we are trying to explore is in fact why Americans are angry, and what I get upset about is people are angry, they should be angry, but to a large degree they do not know what they are angry about.

□ 1245

What the gentleman from Oregon has just said is that in the early 1980's some of the largest corporations in America, and in America most of the stock is owned by the wealthiest people, what he said is that in the early 1980's, major corporations earning billions in profit paid zero in Federal taxes, less than the working stiff who makes \$20,000 a year, and because the Congress, which had passed that legislation, was a little bit embarrassed going back to their districts, they passed a minimum corporate tax law which said to these corporations that, "After all your lawyers and all of your fancy accountants get through going through the tax loopholes, you still are going to have to pay at least something in taxes."

And what the gentleman has just described is that several weeks ago right here on the floor of the House the Republican leadership voted to repeal that minimum corporate tax, so we are going to go back to those good old days when major corporations paid zero in taxes.

Mr. DEFAZIO. I would like to introduce another element. What I think angered people, when I went around to